



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

AI JG 71996

IN REPLY
REFER TO **AQOE**

MEMORANDUM FOR COMMANDER, DCMC CONTRACT ADMINISTRATION
OFFICERS

SUBJECT: DCMC Relationship with Investigative and Prosecutorial Organizations

At the May 1996, Commanders Conference several CAO Commanders indicated they were not being informed of the existence of investigations in activities under their cognizance or were not being provided periodic updates or timely outbriefs of ongoing investigations. This situation not only confounded corrective actions, it precluded the Commander from initiating procedures to ensure the investigators were unhampered in their efforts.

Attached you will find a Defense Logistics Agency General Counsel letter explaining the responsibility of each District Fraud Counsel and a letter showing current guidance for the "Fraud Counsels". Commanders with questions regarding ongoing investigations should contract their servicing fraud counsel for updates and latest status information. Additionally, DoD investigating agencies actively seek cooperation and coordination with local component Commanders in their jurisdictions and conduct periodic visits to meet Commanders and introduce new personnel. Commanders, new or old, who have not received a courtesy visit should contact the DoD investigation agency in their area and request an initial briefing on any activities under their command or cognizance. In larger metropolitan areas Commanders should expect to encounter several agencies.

If you have any questions, please call Ms. Stephanie Strohbeck, Payment, Closeout and Property Team (AQOE) at (703) 767-3445 or DSN 427-3445.

+@ANK **C. DAVIS**, COL, USA
Team Chief
Payment, Closeout and Property

Attachments



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221



V REPLY
REFER TO (3 C

J u L I (3 ~

MEMORANDUM FOR AQOE

SUBJECT: DCMC Relationship with Investigative and Prosecutorial Organizations

To respond to your June 20, 1996, memorandum, subject as above, I sought the views of the DCMDE and DCMDW Counsels. Both of them reported that they have programs in place to ensure Contract Administration Office Commanders and their staffs are kept informed of criminal contract fraud investigations concerning their organizations and that the Commanders and their staffs are regularly apprised of significant case developments so that appropriate corrective action can be taken.

Each District Office of Counsel has a "Fraud Counsel" whose job it is to actively track and monitor criminal investigations and coordinate criminal, civil and administrative fraud remedies involving DCMC administered contracts. As required by DLA Regulation 5500.10, Combating Fraud in DLA Operations, DCMC Fraud Counsel summarize, record, and update the information they receive from criminal investigative organizations in the DLA Command Security Automated Control System (COSACS). In addition to periodically providing the Contract Administration Office Commands with listings of the criminal contract fraud investigations involving their commands, Fraud Counsel are required to brief the Commanders and members of their staff, as appropriate, on significant cases. Identifying lessons learned is a part of the Fraud Counsel's job as is suggesting changes in training and business practices to preclude similar problems in the future.

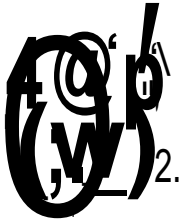
None of the DoD investigative organizations has a written or formal policy on briefing Commanders on the progress of investigations. Briefings have been given to some Commanders in the past, and investigators should be willing to continue to do so unless a briefing may compromise the case.

I intend to send the attached memorandum to the DCMDE and DCMDW Counsels, asking them to put more emphasis on their contract fraud investigation information programs and to make any necessary changes. I have also asked them to arrange, when appropriate, briefings for Commanders by DoD investigators on active contract fraud investigations.

- L ' - +

BRUCE W. BAIRD
General Counsel
Office of General Counsel

Attachment



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FORT BELVOIR, VIRGINIA 22060+221

REPLY
REFER TO GC

JUL 16 =

MEMORANDUM FOR **DISTRICT** COUNSEL, DEFENSE CONTRACT MANAGEMENT
DISTRICT EAST
DISTRICT COUNSEL, DEFENSE CONTRACT MANAGEMENT
DISTRICT WEST

SUBJECT: Information on Contract Fraud Investigations

As you are aware, with few exceptions, Contract Administration Office Commanders and their staff must be kept informed of criminal contract fraud investigations involving their organizations.

I know you are doing a lot in this area already. However, in light of some concerns expressed at the May 1996 DCMC Commanders conference, I ask you to do what is necessary to ensure Contract Administration Office Commanders are being appropriately kept up to date on cases in their areas of responsibility. I also ask that, where appropriate, you consider having your Fraud Counsel arrange briefings by DoD investigative organizations to Commanders on cases of special interest to them.

Good communication with our Commanders about fraud investigations will facilitate efforts to evaluate and implement any lessons learned, whether in internal controls, contract specifications, training, or business practices.

Let me know in a couple of months how things are going.

BRUCE W. BAIRD
General Counsel
Office of General Counsel